https://www.financial-planning.com/news/uncertainty-drives-sharp-decline-in-advisor-confidence

Uncertainty drives sharp decline in advisor confidence
By Rob Burgess
March 11, 2025, 6:17 p.m. EDT

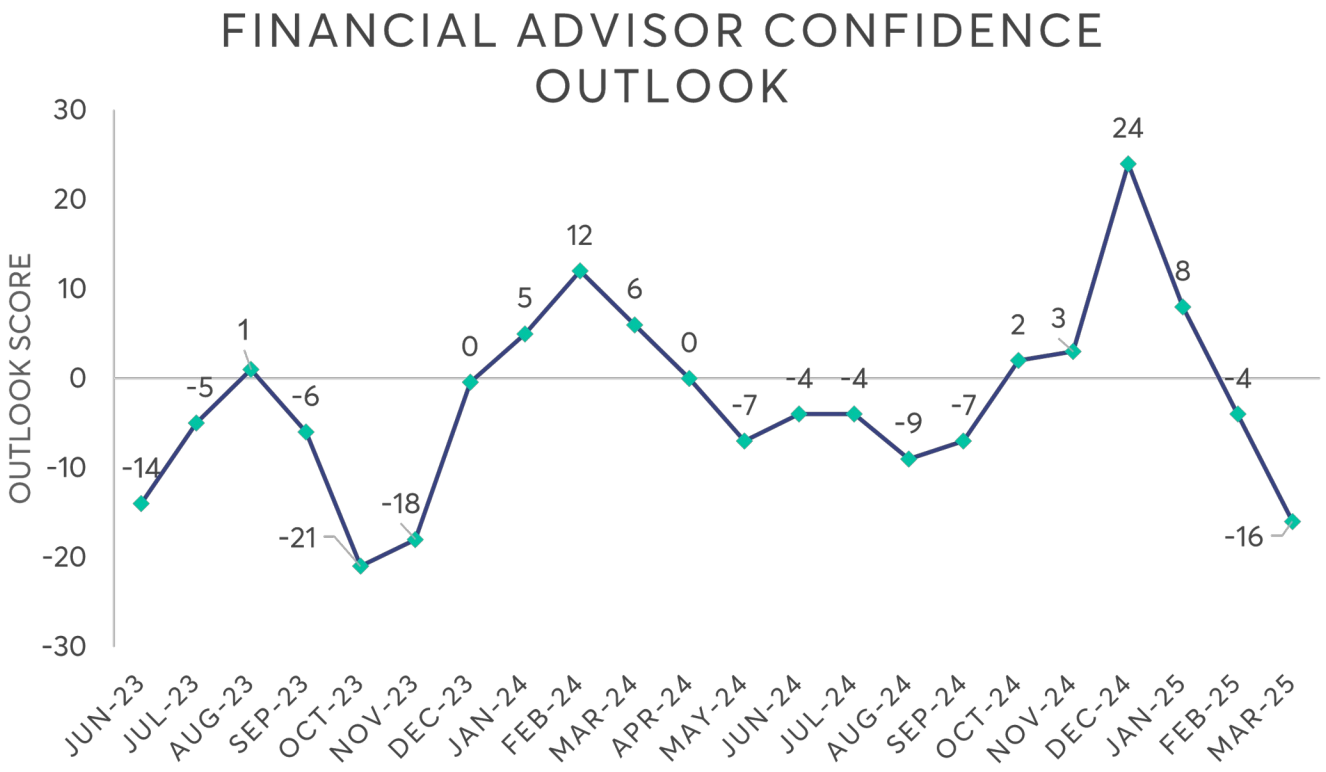
Financial advisor confidence levels have collapsed over the past few months, new data reveals.

That's the overall sentiment reflected in the March Financial Advisor Confidence Outlook (FACO), a survey of financial advisors and planners by Financial Planning. Every month, FACO surveys hundreds of advisors and measures their confidence on a scale of minus-100 to 100. (The survey began in March 2015, known then as the Retirement Advisor Confidence Index, later the Retirement Advisor Confidence Outlook and most recently as FACO.)

After the 2024 election, advisors had a much more positive outlook, with the overall confidence score rising by a record-breaking 21 points from November to December 2024.

But in January's survey, the overall outlook took a 16-point nose-dive back down to 8. That figure fell even further in February to minus-4. That's the first time the score has fallen below zero since September 2024, when it was minus-7.

And this March? It was down to a staggering minus-16.



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - March 2025

The main culprit, according to respondents, was largely the chaotic policy moves of the new presidential administration.

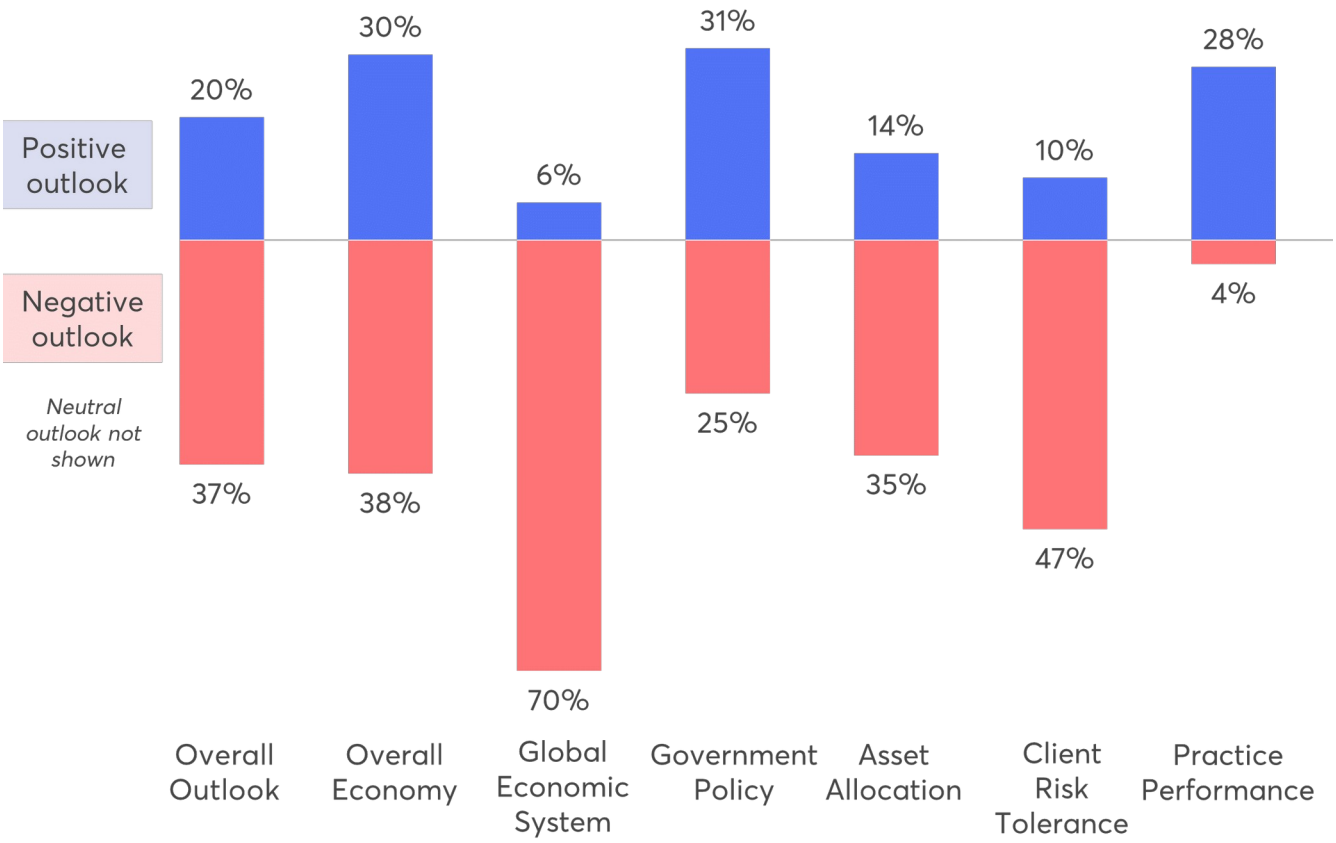
"Way too much up in the air with Trump tax cuts, tariffs, government job cuts, Russia and China," said one advisor. "There is a lot of uncertainty."

Another advisor said the source of distress was "the inability of the current administration to act like adults."

Other respondents were slightly more blunt, with one saying they were concerned with "geopolitical issues" and "having an orange buffoon run our country."

Contributing to this dismal score were negative perceptions regarding the overall economy (minus-29), client risk tolerance (minus-37) and asset allocation (minus-20), the latter two scores of which each sunk to all-time lows.

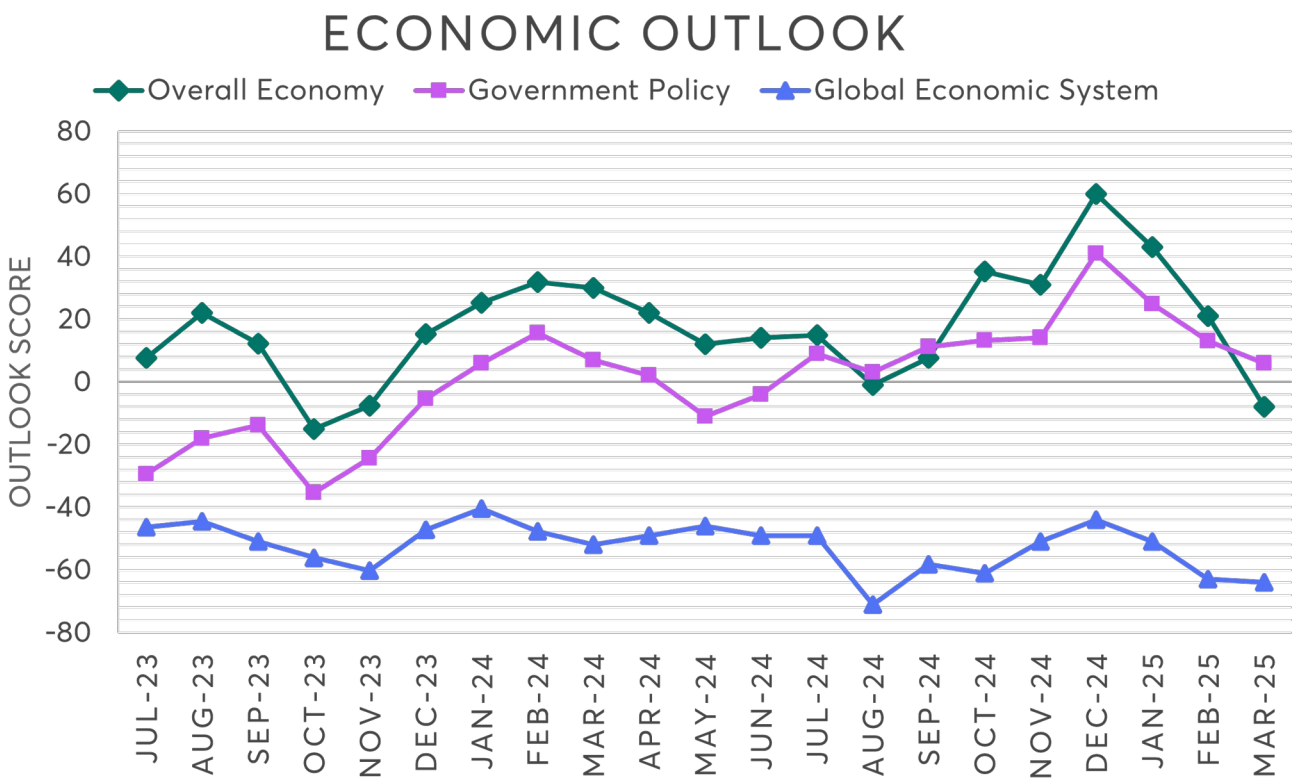
MARCH OUTLOOK COMPONENTS



Source: Arizent Financial Advisor Confidence Outlook Survey March 2025
Base: 194 Financial Advisors

"There is a high level of uncertainty right now, economically and politically," said one advisor. "That is getting people nervous, and my clients are not an exception."

Faith in the global economic system was down as well, dropping from a score of minus-51 in January to minus-63 in February and minus-64 in March.

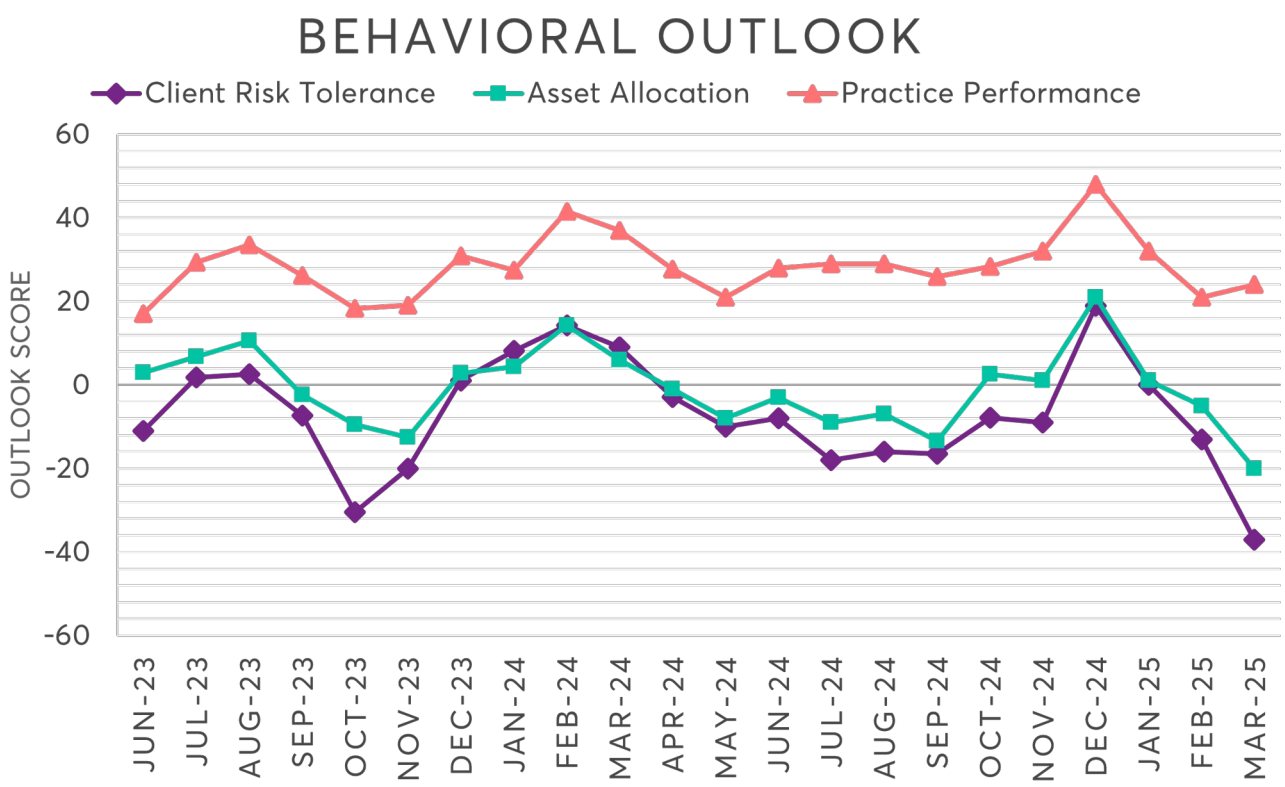


Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - March 2025

"The constant news is causing some discomfort for our clients as they are being inundated with headlines about politics, world events and overall 'professional' opinions," said one advisor.

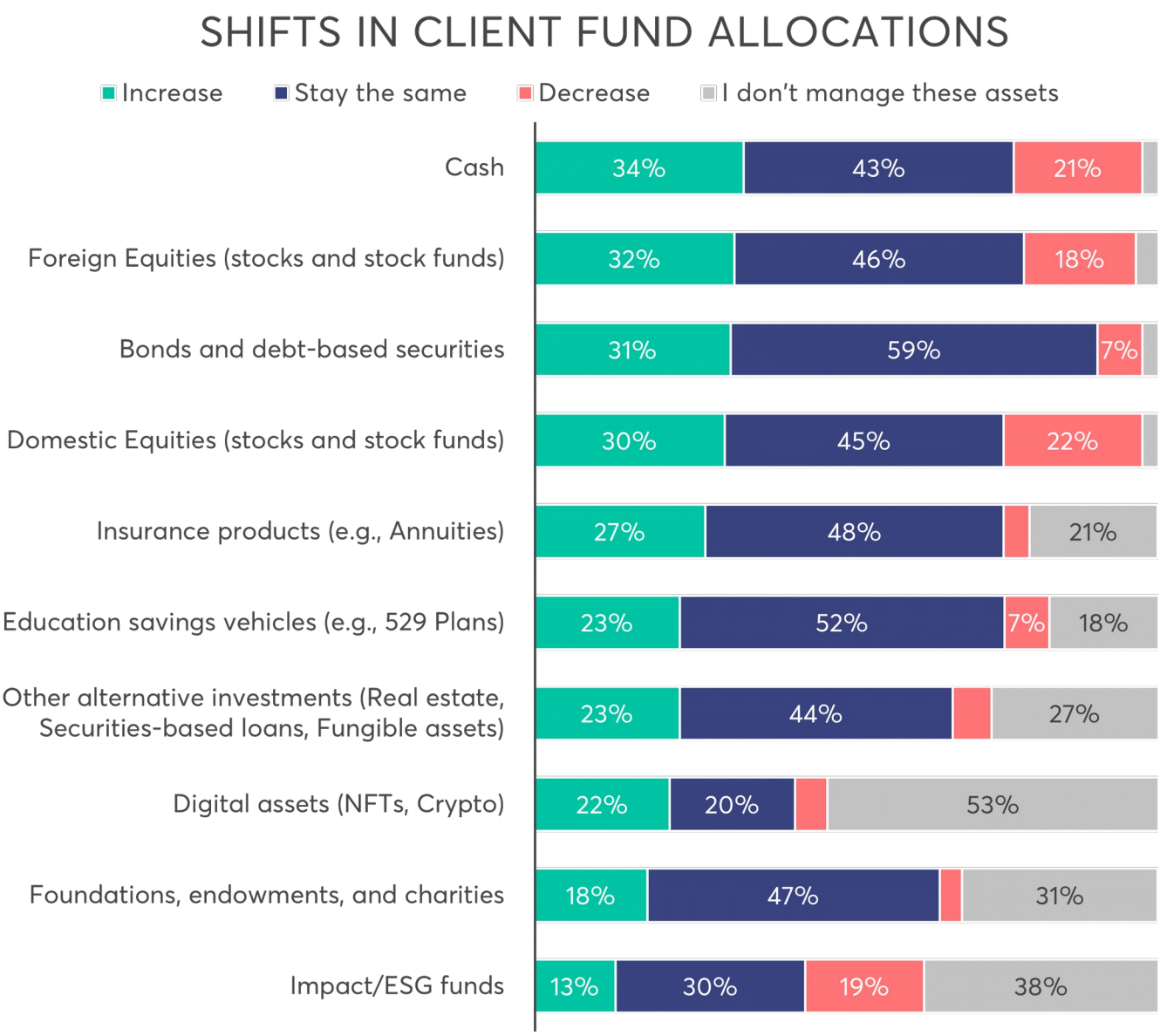
Another respondent said they were alarmed by "the instability of the coup and that all the slashing of services will have a recessionary effect."

"Uncertainty of tariff policy impact on inflation and economic contraction gives me a bearish outlook on equities and also skittish on bonds," they said.



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - March 2025

It wasn't all bad news. One area that was up, if only slightly, was practice performance, ticking up from 21 in February and 24 in March — perhaps reflecting that in times of turbulence, clients turn to professionals for help with their finances, in turn boosting practice performance.



Source: Arizent Financial Advisor Confidence Outlook Survey March 2025
How do you expect the distribution of funds you manage to shift among these different asset types in the coming month? In the coming month I expect the proportional allocation of funds I manage will…
Base: 194 Financial Advisors

And artificial intelligence was specifically mentioned by at least one advisor as fueling the need to keep advancing their business practices.

"Technological advancements, especially in the fintech sector, are having a profound influence on my business outlook," said the advisor. "The rise of robo-advisors and digital investment platforms has increased competition in the market. Clients now have more options for managing their finances independently, which means I need to emphasize the value of personalized, in-depth advice and relationship management to retain and attract clients. Additionally, new technologies like blockchain are changing the way financial transactions are conducted and assets are managed, forcing me to stay updated

and incorporate relevant insights into my advisory services."